

IV. Effect of the Demonstration on FSP and SSI Administration

The SCCAP demonstration was designed to streamline the application process for participants as well as staff and to minimize the administrative costs to both the SCDSS and the SSA. This chapter discusses the effect of the SCCAP demonstration on several administrative issues. Section A examines the SCCAP application process in relation to the regular food stamp application process, including a discussion of the delay from application to receipt of benefits. Section B covers the transfer of data between agencies and the extent to which this process is automated. Section C reviews the recertification of SCCAP participants. The chapter concludes with an examination of the effect of the demonstration on worker caseloads.

A. SCCAP Application Process

Demonstration-eligible individuals can apply for SCCAP at either an SSA or SCDSS field office. According to data provided by the SCDSS in its April-June 1998 quarterly report, a total of 1,969 new SCCAP applicants were processed between October 1995 and June 1998. Of these, 917 (47 percent) applications were taken by the SCDSS and 1,052 (53 percent) were taken by the SSA.

Completing the application process at the SSA

While the SSA has been required for years to take food stamp applications to meet joint processing requirements, the SCCAP application process is considerably streamlined. In fact, SSA staff report that completing the SCCAP application takes little to no additional staff time, nor does it require applicants to make any additional visits. SSA staff report that under regular joint processing procedures, participants applying for the FSP at the SSA office were approved for only one month of benefits and had to repeat the full application process at an SCDSS office

to continue receiving food stamp benefits. The single, streamlined application process under SCCAP is reported to be a “huge improvement” from regular joint processing.

According to demonstration guidelines, SSA claims representatives screen new SSI applicants for SCCAP eligibility on the following criteria:

- SSI-eligible individual (which excludes couples, or individuals with children under the age of 21 in the household)
- Living arrangement code “A” (which includes individuals who report home ownership or rental liability, pay a pro rata share of household expenses, and do not receive food and shelter from others)
- No earned income
- Food purchased and prepared separately (if others live in the home)

If the applicant meets these four criteria and is interested in receiving food stamp benefits, the SSA claims representative reads a prepared declaration statement and has the applicant sign the statement, which indicates he/she wants to participate in SCCAP. The claims representative then enters a SCCAP indicator code of “Y” in the designated field in the computerized SSI case record. Since the SSI eligibility of elderly claimants is determined quickly (typically within one month), these cases are given a “Y” at the time of SSI application. For disabled clients, eligibility determination typically takes much longer (e.g., three to six months); therefore the “Y” code is not entered until the individual is approved for SSI benefits. When the SSI data are transferred to the SCDSS and reconciled with food stamp data, a new SCCAP case is established for each new SSI recipient with a SCCAP indicator of “Y.”

The SSA faced several challenges in trying to use the national SSA database in the SCCAP demonstration. Because this system is used by all states, data fields are not altered to serve the needs of any single state. As a result, SSA program staff in South Carolina had to work

within the constraints of the existing computer system to gather and report the data needed for this demonstration. As mentioned in Chapter III, the data field that contains the SCCAP indicator is actually a field used in the national database to indicate FSP participation. At the beginning of the demonstration, this field had to be manually cleared out to erase any existing data before SCCAP codes could be re-entered to indicate demonstration participation for cases converted to SCCAP. Data entry in this field continues to be an issue for new applicants because the national SSI data entry system is programmed to ask questions about an applicant's food stamp eligibility and participation status that are not relevant to SCCAP. Claims representatives have to enter inaccurate responses to these questions, essentially bypassing the system, to allow them to enter the SCCAP indicator in the appropriate field. Claims representatives must also check this data field for cases transferring from other states because existing data in this field indicate FSP participation, not SCCAP participation. These cases are then manually updated to reflect eligibility for the SCCAP demonstration.

The inflexibility of the national data system has also prevented the SSA from including SCCAP reminder messages in the automated application process or identifying certain data items as mandatory. Currently, there is nothing in the SSI application process that requires claims representatives to check SCCAP eligibility. It is possible, therefore, that SSA claims representatives may forget to screen incoming applicants for demonstration eligibility. If the system were designed to require that the SCCAP indicator be entered or verified with each change in the SSI record, all demonstration-eligible SSI applicants would be identified. This mechanism would also serve as a reminder for claims representatives to confirm SCCAP eligibility as changes in living arrangements, marital status, income or payment status are

reported. Claims representatives participating in the staff survey reported that such a reminder would be helpful since they sometimes forget to check whether a client is in SCCAP and whether the reported change would affect eligibility.

Completing the application process at the SCDSS

Since SCCAP eligibility is limited to SSI recipients, SCCAP applications filed at the local SCDSS office are limited to those for individuals already on SSI. In many cases, these individuals are responding to the ongoing outreach efforts by the SCDSS and other agencies serving the elderly and disabled (e.g., the Department of Health and Environmental Control). Individuals who meet the eligibility criteria for SCCAP but have not yet been approved for SSI must apply for regular food stamp benefits. When the SCDSS receives confirmation that the individual has started receiving SSI, the food stamp case is closed and a SCCAP case is automatically opened.

SCDSS estimates that 50 to 100 new SCCAP cases apply for benefits at the local field offices each month. To open a new SCCAP case, the SCDSS caseworker first reviews an individual's information in the SSA database to confirm that the individual is receiving SSI and to verify eligibility for the demonstration. Specifically, the caseworker looks at marital status, living arrangement code, state of residence, earned income and SSI payment status. If the individual meets all of the program criteria, the caseworker reads the self-declaration statement aloud and asks the applicant to sign it. By signing the declaration, the individual attests to purchasing and preparing food separately from others, thus meeting the final eligibility requirement for SCCAP.

Although caseworkers in the field offices are instructed to forward all SCCAP cases to the central office, data suggest that some cases are initially set up and maintained in the field office. Periodically (e.g., every six months), the central office will run a query of the database to identify SCCAP cases held in county caseloads, and notices are sent to the appropriate county offices reminding them to transfer all SCCAP cases to the central office. Program staff report that this has not been a major problem.

Regardless of where the case is opened (in the central office versus field office), the food stamp database is programmed with edit features to facilitate the SCCAP application process and reduce errors. For example, the unearned income amount entered must be equal to one of two federal benefit levels (see Table VI.2) or the system will not accept the SCCAP record. Likewise, the amount entered in the earned income field must equal \$0. If the data entered meet the SCCAP specifications and the SCCAP indicator code is “Y”, the system will override any actual expenses included in the record and automatically calculate the SCCAP benefit amount using the standard income amounts and shelter expenses called for by the demonstration.

SCDSS staff report that the SCCAP application process does not take any additional time compared with a regular food stamp application for a single-person SSI household. In fact, some caseworkers report that the SCCAP application process takes less time because, in most cases, there is only one source of income to be verified (i.e., SSI), and the data needed for verification are readily available. Applicants also do not need to provide documentation of or verify actual expenses under SCCAP because a standardized shelter amount is used to calculate SCCAP benefits. This feature also reduces the amount of time the caseworker spends opening a new SCCAP account.

Delay to benefits

The delay between SSI application and receipt of SCCAP benefits is affected by both program regulations and the type of SSI claim submitted (aged versus disabled). According to SSA regulations, SSI participants cannot receive SSI benefits for the month in which they apply, regardless of when their eligibility is determined. For example, if an individual applies for SSI on July 1, he/she is not eligible to receive SSI benefits until August 1 at the earliest. The same is true for an applicant who applies later in the month, for example July 25. In addition to the one-month delay created by SSA program regulations, most SSI recipients experience a longer delay between application and receipt of benefits while they wait for their SSI eligibility determination. Aged claimants, who account for approximately 10 percent of the SSI caseload, are typically approved in the same month in which they apply. However, program staff report that disabled claimants typically wait four to six months before eligibility for SSI is determined. In some cases, eligibility determination for a disabled claimant can take more than a year. Disabled claimants' eligibility can be determined more quickly if they are already receiving disability benefits under Social Security (referred to as an adopted decision) or if their disability is severe enough that it is clear to SSA staff that the individual will be approved (a presumptive decision).

Once SSI benefits are approved, individuals still must wait for SCCAP benefits to be issued. According to demonstration guidelines, eligible individuals can begin receiving SCCAP benefits in the month *after* SSI benefits start. In other words, if an individual applies for SSI on July 1 and begins receiving SSI benefits on August 1, he/she still cannot receive SCCAP benefits until September 1. To ensure that the individual receives a full month of benefits, the effective date for SCCAP cases is the first day of the month following SSI receipt regardless of when

during the month the record is actually entered into the system. Retroactive benefits to the time of SSI application are not available under the SCCAP demonstration. While waiting for SCCAP benefits, individuals can apply for regular food stamp benefits.

To examine the delay from SSI application to receipt of SCCAP benefits, data on SCCAP-eligible households applying for SSI during the demonstration period were merged with the food stamp data files. The SSI and food stamp application dates¹ were compared to calculate the amount of time SCCAP-eligible clients had to wait before being enrolled in the FSP. Differences between elderly and disabled SSI claimants were explored. The results of this analysis are presented in Table IV.1. Overall, the data indicate that:

- **In 25 percent of the cases, individuals had applied for food stamp benefits before applying for SSI.** These households were able to enroll in the regular food stamp program but were not eligible to participate in SCCAP until after SSI benefits were approved.
- **Almost 16 percent applied for food stamps in the same month as SSI application.** Because there is a built-in delay of at least one month before data on new SSI cases are transferred to the SCDSS, the data suggest that these households applied for food stamp benefits directly with the SCDSS. Again, these individuals would be eligible to receive regular food stamp benefits in the interim but would not be eligible to receive SCCAP benefits until after SSI was approved.
- As expected, **the majority of cases (60 percent) experienced a delay** of one month or more between SSI and food stamp applications. The average delay was 5.1 months.

Almost half (45 percent) of all SCCAP cases applied for food stamps between one and two months after applying for SSI. Given the longer determination period typically needed for disabled claimants, it is not surprising that these households experienced a longer delay between

SSI and food stamp applications compared to elderly individuals. In fact, more than 62 percent of elderly SCCAP cases experienced a one- or two-month delay, while only 30 percent of disabled SCCAP cases experienced similar delays. The majority of disabled cases experienced delays of three to 10 months between SSI and food stamp applications. The average delay experienced by elderly cases was four months compared with an average delay of six months for disabled cases.

Table IV.1
Delay between SSI and Food Stamp Application Dates
for Demonstration Participants

	Total (%)	Elderly (%)	Disabled (%)
Food stamp application patterns (of SSI recipients who received food stamp benefits during the demonstration period)			
Applied for food stamps prior to SSI application	25.1	23.9	26.0
Applied for food stamps in same month as SSI application	15.9	12.2	18.5
Delay in food stamp application	59.0	63.9	55.5
Delay between SSI and food stamp applications (of those who experienced a delay in food stamp application)			
1-month delay	27.5	38.3	18.6
2-month delay	17.3	23.9	11.8
3- to 5-month delay	21.0	10.9	29.4
6- to 10-month delay	16.5	11.3	20.8
11- to 15-month delay	15.1	15.2	15.1
16+-month delay	2.6	0.4	4.3
Average delay (in months)	5.1	4.0	5.9
Sample size *	6,295	1,688	4,607

Source: SDX/CHIP merged data (limited to SSI applications filed after 1/1/96)

* Of those experiencing a delay between SSI and food stamp application dates

¹ The FSP application date included in the CHIP data file may indicate either the date an individual applies for food stamps directly at an SCDSS field office or the date a new SCCAP case is established at the central office based on SDX files transferred from the SSA.

It is important to note that the delay experienced by SCCAP cases may not be due solely to the delay in SSI eligibility determination. It is possible that some of these households chose not to participate in the food stamp program when they first applied for SSI but decided to enroll in SCCAP later. It is also possible that some households did not meet the eligibility criteria for SCCAP at the time of initial SSI application. Subsequent changes in living arrangements may have enabled these individuals to apply for SCCAP at a later date.

A. Transfer of Data between Agencies

The SCCAP demonstration was originally designed to streamline the application process through enhanced automation. While data from the SSA files are transmitted regularly to SCDSS, the electronic transfer of data between the agencies' computer systems is not fully automated. Instead, selected data items are abstracted from the SSI case record and manually entered in the food stamp computer records following a monthly reconciliation of the two data files.

Data transfer from the SSA to the SCDSS

Updates to the SSI data files (SDX) are sent electronically to the SCDSS on a regular basis (approximately six times a month). At the end of each month, the SCDSS creates a master file from the updates received that month, which is then compared with the current food stamp files (CHIP) to identify new SCCAP cases, changes in existing SCCAP cases, and discrepancies between the two data systems. The system is programmed to select from the master file only those SSI cases with a SCCAP indicator of "Y" and compare the information in these files with the data in the food stamp database. Specific variables examined in this automated process

include, but are not limited to: SCCAP status, marital status, earned income amounts, SSI payment status, and residential address. Based on the differences found between the two data sources, the system generates a series of reports on:

- New SCCAP-eligible SSI cases not previously known to CHIP
- New SCCAP-eligible SSI cases known to CHIP (e.g., regular food stamp cases)
- Cases appearing in both SDX and CHIP files that have a mismatch of information between the two data sets

Each case is researched to determine the action needed. If changes in the food stamp database are warranted, these entries are done manually by one of the two full-time caseworkers assigned to SCCAP in the central office.

New cases not previously known to CHIP. For new SSI cases not previously known to CHIP, the caseworker prints a hard copy of the SSI data and visually confirms that the client meets the eligibility criteria for SCCAP. If the individual meets the criteria, a new SCCAP case is opened in the food stamp system. While the original intent was to have the database establish new cases automatically by electronically transferring the relevant data items, this feature was not available during the demonstration period. Instead, the SCCAP caseworker manually enters the data displayed in the SSI record into the food stamp database to establish the new SCCAP case. As discussed in Section A, the food stamp computer system is programmed with built-in edit features to accept only certain values in selected fields (e.g., unearned income), thus minimizing the possibility of error. SCDSS staff report that approximately 15 cases not previously appearing in the food stamp system are added to the SCCAP caseload per month. Each case requires about five to ten minutes to establish.

New cases previously known to CHIP. A similar review process is conducted on new SCCAP-eligible SSI cases that are known to the food stamp system (i.e., they have applied for or received food stamps in the past). For these cases, the review process is limited to individuals who are classified in the food stamp database as SCCAP="N," indicating that they were previously ineligible for SCCAP. In some cases, the individual may be currently receiving benefits under the regular food stamp program. In other cases, the individual may have previously applied for or received food stamps but no longer has an open case in the SCDSS system.

As before, the caseworker manually reviews the SSI data to verify that the individual meets all of the eligibility criteria for SCCAP. If so, the existing food stamp case file is closed and a new SCCAP case is immediately opened. Program staff estimate that approximately 15 SCCAP cases previously known to their system are opened each month. These cases take slightly longer to process (10-15 minutes each) since the existing case must be reviewed and closed (if appropriate) before the new case can be opened.

Cases with discrepancies. It is quite common to find cases with SSI data items that do not match the information contained in the food stamp database. Program staff estimate that SCCAP caseworkers review approximately 750 cases with mismatching information each month. In some cases, the discrepancy is due to a change in living arrangement or location, marital status, or a change in household finances that the client has recently reported to the SSA, but not to the SCDSS. Other mismatches can occur if SSI payment status changes or if an individual can no longer claim excess expenses and has to switch from the regular food stamp caseload to the SCCAP caseload. Discrepancies can also result from typographical errors or inconsistent

information provided by the client. Discrepancies in telephone numbers used to be included on the list of mismatched cases, but they are no longer included in the comparison because of the very high rate of discrepancy and the poor quality of this data item.

Food stamp records are manually edited (5-10 minutes per case) by the SCCAP caseworker to match the information provided in the SSI data file. Since the data are now consistent across files, this case should not appear on the next month's discrepancy report unless further changes are made in the SSI record. In some cases, changes made to the case record affect the individual's eligibility for SCCAP (e.g., marital status changes from single to married). If an SCCAP participant is no longer eligible for the demonstration, his/her SCCAP case is closed and a system-generated notice is sent alerting the client and explaining the option for applying for food stamp benefits under regular program rules.

Data transfer from the SCDSS to the SSA

While the SSA identifies the majority of new SCCAP cases, new cases are also initiated by the SCDSS. Program staff believe that most of these cases are applying for food stamps after learning about their eligibility for the demonstration through outreach efforts. When a demonstration-eligible client comes to the local food stamp office, the individual is asked to sign the self-declaration form attesting to purchasing and preparing food separately from others. This form is then forwarded to the central office where a new SCCAP case is opened in the food stamp database. The SSA is notified monthly of new SCCAP cases identified by the SCDSS.

While SSI data are transferred electronically to the SCDSS several times a month, hard copy updates to the food stamp database are sent to the SSA approximately once per month. For each new SCCAP case initiated by the SCDSS, a hard copy of the client screen is printed and

sent to the SSA via regular mail at the end of the month. SCCAP program staff estimate that approximately 50 new cases are sent to the SSA each month. In addition to new cases, updates on cases that have switched from excess expense status to regular SCCAP status, or vice versa are also included.

When the SSA receives the package of updates, each case is manually updated in the SSI data system to reflect the correct SCCAP indicator. For new SCCAP cases identified by the SCDSS, the SCCAP indicator is updated to “Y.” For cases that no longer claim excess expenses and now participate in the demonstration, the SCCAP indicator is changed from “N” to “Y.” Conversely, for those previously participating in the demonstration who are now claiming excess expenses and receiving food stamp benefits through regular program rules, the SCCAP indicator is changed from “Y” to “N.” The SSA reports that these updates are typically made within the same month they are received, which prevents the updated cases from appearing on the monthly discrepancy reports.

A. Recertification

SCCAP participants are scheduled for food stamp recertification every two years. Demonstration-eligible individuals who choose to claim excess expenses and receive food stamp benefits outside of SCCAP are recertified according to regular FSP guidelines. The length of the recertification period for regular food stamp participants varies depending on the error profile assigned to the case. Households with fluctuating or earned income are recertified more often than those with no earned income. Program staff report that recertification periods for regular food stamp participants vary from three months to two years. Previously, face-to-face recertifications of all food stamp participants were required annually. However, recent legislation

allows for a two-year recertification period with yearly telephone or mail contact. Clients assigned this longer recertification period must respond to the system-generated letter sent to them annually or their cases will be closed.

In addition to the two-year recertification period assigned to SCCAP cases, the SCDSS has been given approval to streamline the recertification process for demonstration participants. Instead of the full recertification form that regular food stamp participants must complete in-person, the SCCAP recertification form is a simple list of five questions that can be completed by mail. (Both recertification forms are in Appendix E). As long as clients do not indicate any changes, they are automatically recertified for SCCAP for another two years. When changes are noted, clients are sent a letter advising them that their SCCAP account is about to be closed and asking them to confirm the change noted on the recertification form. A similar letter notifying clients about the impending closure of their accounts is also sent to clients who fail to return the initial recertification form. This confirmation process avoids the erroneous closure and subsequent reopening of cases that have not experienced a change in eligibility status².

All cases that were converted to SCCAP in October 1995 and were still actively participating in the demonstration were due for recertification in September 1997. Even with the streamlined recertification procedures, the process created a considerable workload for program staff. The SCDSS had hoped to receive a federal waiver for those individuals who had recently completed the SSI redetermination process. However, there was no way to identify these cases in the SSI data files, so all active conversions were included in the recertification effort. To

² Before this confirmation process was instituted, many accounts were closed based on changes reported on the recertification forms or based on the lack of a completed recertification form, only to be reopened again one month

minimize future recertification efforts, program staff have requested that SCCAP eligibility be tied directly to SSI eligibility (i.e., as long as an individual is receiving SSI benefits, he/she can remain in SCCAP without being recertified).

To facilitate the first SCCAP recertification effort, five internal SCDSS staff members were recruited to help complete the process. Recertification forms were mailed in batches beginning in June 1997, to allow for the timely processing of returned forms. Upon receipt of a completed recertification form, the food stamp database was manually updated to reflect any changes reported by the client, to generate confirmation letters regarding impending closures, and to set the new recertification date (two years hence). According to a May 11, 1998 letter to the FSP Southeast Regional Director, 6,051 (50 percent) of the 12,120 cases originally converted to SCCAP completed the recertification process. Of the 6,069 remaining conversion cases, 1,891 were closed because individuals failed to complete the recertification process; 1,623 suffered a loss in benefits during conversion and had been transferred back to the regular food stamp caseload; and 1,972 had previously been closed due to death of the recipient or reported changes resulting in SSI ineligibility. The SCDSS reports that the remaining 583 cases unaccounted for are likely closures which were not properly recorded during a time of personnel changes.

B. Worker Caseloads

The SCDSS reports that in July 1998, the SCCAP caseload included more than 20,000 households. The entire SCCAP caseload is handled at the SCDSS central office, where two full-time caseworkers and a SCCAP coordinator (who spends approximately 70 percent of her time

later when clients called to complain that they did not receive their benefits. In many cases, clients did not understand the recertification form or mistakenly reported a change that did not actually occur.

on the project) are responsible for the ongoing management of all SCCAP cases. Local field staff are responsible for handling only those demonstration-eligible cases who claim excess shelter or medical expenses and receive benefits through regular food stamp processing. Local office staff are also responsible for training all food stamp recipients, regardless of their SCCAP status, on the use of their electronic benefit transfer cards.

By centralizing operations, the demonstration has not increased the field staff caseloads. In fact, SCCAP program staff estimate that the demonstration has actually resulted in administrative savings of approximately 40 caseworkers. This estimate is based on the assumption that the average caseload at the time the demonstration started was approximately 250 households per caseworker. If the caseload contained only SCCAP cases, program staff report that a caseworker could handle as many as 500 households. Since these cases are handled at the central office, the SCDSS has essentially eliminated the need to hire 40 caseworkers that would be required to handle these cases if they were assigned to the local field offices.

While central office staff see the demonstration as an administrative savings, some SCDSS staff members surveyed indicate that they would prefer that SCCAP cases be handled by the local offices even though this would require hiring additional staff. One SCDSS manager suggested that having a local caseworker assigned to a household might result in better monitoring and follow-up, particularly for those cases who have not picked up their electronic benefit transfer cards or accessed their accounts. Caseworkers also report that even though a case is actually assigned to the central office, many SCCAP cases call or visit the local office when they have questions or need help. Because some of the case management activities continue to be done at the local level, some staff felt that the cases should remain in the county caseload.

V. Effect of the Demonstration on Food Stamp Participation among SSI Households

One of the primary objectives of the SCCAP demonstration was to increase food stamp participation among SSI households. While these households are categorically eligible to receive food stamp benefits, their participation rates in the Food Stamp Program in South Carolina have been lower than expected. This chapter reviews the food stamp participation of SSI households and how it has been affected by the SCCAP demonstration. The chapter begins with a description of the characteristics of the SCCAP population, including those who participated in the demonstration and those who chose regular food stamp processing due to excess expenses. Section B provides a discussion of food stamp participation among SSI households over time and discusses how outreach efforts influenced participation. The chapter concludes with a discussion of demonstration-eligible individuals who have chosen not to participate in the FSP and the reasons why.

A. Characteristics of SCCAP-eligible population

To examine the characteristics of SCCAP participants, the food stamp population was subdivided into several groups based on their demonstration eligibility and SCCAP participation status. As shown in Figure V.1, households who received food stamp benefits at any time during the demonstration period were first divided into those who had received SSI benefits and those who had not.¹ Food stamp households who had received SSI benefits were then divided into

¹ CHIP data on income-type (i.e., SSI) were incomplete. Therefore, for the purposes of this analysis, SSI receipt is based on linkage to the SDX file.

those who were eligible for SCCAP and those who were not.² Finally, demonstration-eligible households were subdivided into three groups: SCCAP participants, SCCAP-eligible cases claiming excess expenses, and SCCAP nonparticipants.³

The data presented in Figure V.1 indicate that less than 1 percent of the 37,267 households eligible for SCCAP were neither participating in the demonstration nor claiming excess expenses and receiving food stamp benefits outside of the demonstration. Given the size of the demonstration-eligible population, it is notable that so few cases were missing from the SCCAP caseload.

The demographic characteristics of SCCAP-eligible households and other food stamp recipients are presented in Table V.1. SCCAP-eligible households are predominantly female (71 percent), black (63 percent), and over the age of 60 (51 percent). Further, the vast majority of SCCAP-eligible cases (80 percent) have less than a high school diploma. With an average age of 59 years old, SCCAP-eligible individuals are considerably older than those in the general food stamp population are. Demonstration-eligible households are also less educated than food stamp recipients are overall.

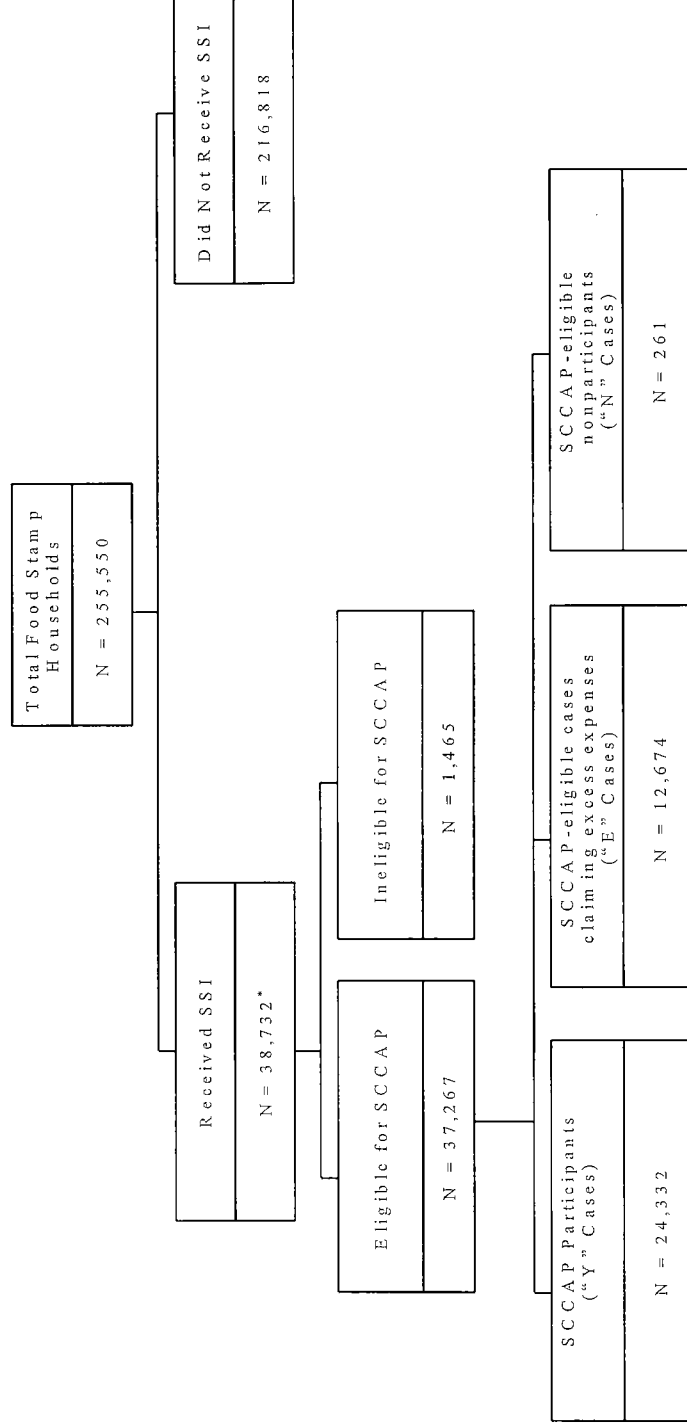
Compared with SCCAP-eligible households, food stamp recipients who are ineligible for the demonstration are more likely to be younger (with an average age of 43), female (81 percent) and more educated. With an average household size of three, the ineligible population has an average gross monthly earned income of \$569. In addition, these households receive an average of \$405 in unearned income per month.

² SCCAP eligibility was based on CHIP data and was defined as a single-person household, over the age of 17, with no earned income. To be truly eligible for SCCAP, individuals must also attest to purchasing and preparing food separately from others; however, this information is not available in either the CHIP or SDX files.

³ Subgroups were based on the SCCAP participation status indicated in the CHIP data.

Figure V.1

**Distribution of the Food Stamp Population by
Demonstration Eligibility and Participation Status**



Source: SDX /CHIP merged data

* According to the "Recipients in Force: Quarterly Report," the number of persons in South Carolina receiving SSI ranged from 109,695 in December, 1995 to 107,028 in December, 1997, with an average state caseload of approximately 108,750 over this three-year period. Based on these data, one could estimate that the 38,732 FSP households with SSI income represent approximately 36 percent of the SSI caseload.

Table V.1

**Demographic Characteristics of SCCAP-Eligible Households
And Other Food Stamp Recipients**

	Total food stamp households (%)	Total SCCAP-eligible cases (%)	SCCAP participants (%)	SCCAP-eligible cases claiming excess expenses (%)	SCCAP-eligible demonstration nonparticipants (%)	Total SCCAP-ineligible cases (%)
Age:						
30 and Under	38.8	6.6	5.6	8.4	11.2	20.3
31-50	39.3	25.5	21.5	32.8	39.8	47.0
51-60	8.5	17.4	15.3	21.2	23.4	18.3
60+	13.4	50.6	57.5	37.7	25.7	14.4
Average Age	38.5	59.1	61.6	54.5	48.9	42.9
Gender:						
Female	77.0	71.0	72.3	68.8	56.3	81.4
Race/Ethnicity:						
Black	64.8	63.4	66.1	58.1	65.9	65.0
White	34.4	36.4	33.8	41.6	34.0	34.1
Education:						
Less than HS diploma	51.0	79.9	84.5	71.5	67.1	64.4
HS diploma	35.3	15.5	12.4	21.2	26.8	26.6
Some college +	13.7	4.6	3.1	7.3	6.1	9.0
Average Household Size	2.4	1.0	1.0	1.0	1.0	2.9
Monthly Income:						
Average gross earned income	\$731	---	---	---	---	\$569
Average gross unearned income	\$277	\$458	\$469	\$444	\$157	\$405
Sample Size	255,550	37,267	24,332	12,674	261	1,465

Source: SDX/CHIP merged data

Within the SCCAP-eligible population, demonstration participants are more likely to be black, older, and less educated than SCCAP-eligible individuals who claim excess expenses. These differences may be explained in part by the higher shelter costs claimed by the latter group. It is reasonable to assume that elderly individuals are more likely to own their own home or to qualify for rent subsidies than younger individuals. Consequently, shelter costs are often higher for younger individuals, making them more likely to claim excess expenses. Higher shelter costs are also correlated with higher education levels. Therefore, it is not surprising that individuals claiming excess expenses reported higher levels of education than those participating in the demonstration did.

The SCCAP-eligible demonstration nonparticipants are younger, more educated, and more likely to be male than either demonstration participants or SCCAP-eligible households who claim excess expenses. The most striking difference, however, is in the amount of unearned income. Although these households were classified as demonstration-eligible, it appears that, as a group, they are receiving very little unearned income compared to other SCCAP-eligible households. Further investigation of these cases (beyond the information available in the SDX and CHIP databases) is needed to determine whether these results are an artifact of the data and whether these households were truly eligible to receive SCCAP benefits.

B. FSP Participation over Time

One of the primary objectives of the SCCAP demonstration was to increase participation of SSI clients in the Food Stamp Program. According to national data, the percentage of food stamp households receiving SSI declined from 1989 to 1992, both nationally and in South Carolina, before the rate began to increase again (Table V.2). While the general trend in South Carolina appears similar to the nation as a whole from 1993 through 1996, South Carolina

experienced a marked increase in the proportion of FSP households receiving SSI beginning in 1997 and continuing in 1998.

While the number of food stamp households receiving SSI has increased fairly consistently over time, the characteristics of the population served have changed slightly and vary from the national to state level. According to national data, the majority of food stamp households receiving SSI were single-person households (Table V.3). Of these, the majority were households with elderly members. Between 1989 and 1996, the proportion of food stamp households accounted for by single-person SSI households has decreased gradually from 65 percent to 60 percent, before rising again to 63 percent in 1998. During this same time, the percentage of single-person SSI households without elderly members increased while the number of elderly members decreased.

Table V.2

Percent FSP Households Receiving SSI, 1989-1998

	United States	South Carolina
Fiscal Year	%	%
1989	21	32
1990	20	31
1991	19	28
1992	18	25
1993	19	24
1994	21	25
1995	23	29
1996	24	29
1997	26	33
1998	27	36

Source: IQCS data

While single-person households also accounted for the majority of food stamp households receiving SSI in South Carolina, state level data from 1989 to 1998 suggest a

somewhat erratic pattern of change in population characteristics. Unlike the gradual decrease seen at the national level, South Carolina experienced more dramatic shifts in the proportion of food stamp households accounted for by single-person SSI households. After holding steady at approximately 58 percent for three years, the rate of single-person SSI households in the South Carolina food stamp caseload dropped to 50 percent, where it stayed for a few years before climbing to 55 percent in 1995, 58 percent in 1996, and 62 percent in 1998. While the rate changes in South Carolina differed from the nation, the distribution of cases within the single-person SSI household population followed a similar pattern at the state and national levels. In both cases, the proportion of households with elderly members decreased while the proportion with no elderly members increased over time.

While national data show that the number of food stamp cases accounted for by single-person SSI households increased during the demonstration period (from 1995 through 1998), the data do not address whether FSP participation among SSI recipients in South Carolina increased at the same time. To answer this question, ideally one could look at food stamp status as indicated in the SDX file for all SSI recipients in the state. Unfortunately, the field containing information on food stamp participation was manually edited to reflect SCCAP eligibility. Consequently, data on food stamp participation are not available for the SSI population as a whole.

Table V.3
Percent Distribution of FSP Households Receiving SSI*, 1989-1998

Fiscal Year	N (Thousands)	United States			South Carolina			
		Single-Person Households		Multiple-Person Households	Single-Person Households		Multiple-Person Households	
		No Elderly	With Elderly		No Elderly	With Elderly	No Elderly	With Elderly
1989	1,489	22%	43%	22%	13%	45%	19%	23%
1990	1,530	22	42	23	13	45	19	23
1991	1,645	25	39	24	16	41	25	19
1992	1,847	25	38	26	15	36	30	18
1993	2,097	26	33	29	17	33	31	19
1994	2,371	27	32	31	17	33	33	14
1995	2,461	29	31	30	20	35	35	10
1996	2,538	30	30	31	24	34	27	12
1997	2,460	30	31	31	26	30	33	11
1998	2,263	32	31	30	29	33	29	8

Source: IQCS data

* Due to rounding error, totals may not equal 100 percent.

In the absence of such data, one could estimate the rate of FSP participation within the SSI population using Integrated Quality Control System (IQCS) data.⁴ Using the estimates provided by IQCS, the rate of FSP participation can be calculated as the ratio of the number of FSP recipients receiving SSI to the total number of SSI recipients.⁵

To examine whether the SCCAP demonstration increased the rate of food stamp participation among the SSI population in South Carolina, FSP rates were estimated for 1994 through 1998 (Table V.4).⁶ While the national rate decreased from 41.5 percent in 1994 to 38.3 percent in 1998, the rate in South Carolina increased markedly from 38.0 percent to 50.0 percent during the same time period. This noticeable increase after 1996 suggests that the SCCAP demonstration may indeed have increased FS participation among SSI recipients in South Carolina as intended.

Table V.4
Estimated FSP Participation Rates
for the U.S. and South Carolina

Year	United States			South Carolina		
	#FSP/SSI individuals ⁷ (Thousands)	SSI population (Thousands)	FSP Participation Rate	#FSP/SSI individuals ⁸ (Thousands)	SSI population (Thousands)	FSP Participation Rate
1994	2,644	6,377	41.5%	41	108	38.0%
1995	2,743	6,514	42.1%	45	111	40.5%
1996	2,829	6,614	42.8%	47	112	42.0%
1997	2,748	6,495	42.3%	52	110	47.3%
1998	2,517	6,566	38.3%	55	110	50.0%

Source: IQCS data, Social Security Bulletin

⁴ The IQCS is an ongoing review of food stamp households designed to measure the accuracy with which eligibility and benefit determinations are made. Estimates are based on full-year samples. Each sample consists of approximately 50,000 households and is weighted to reflect the number of households actually participating in the FSP that year.

⁵ While IQCS data are based on annual estimates, state-level SSI data are available on a monthly basis only. Rates are based on the SSI population in December of each year.

⁶ 1994 is used as the baseline pre-demonstration rate for SC since the 1995 rate is based on annual data that include information from both before (Jan-Sept) and during the demonstration (Oct-Dec).

⁷ Data on individual SSI coverage are not available at the person level for 1994-1996. We therefore adjusted the 1994-1996 household-level IQCS data to estimate the person-level coverage using the average inflation factor from 1997 and 1998 (1.1145 for the United States).

⁸ As with the national data, individual level data for 1994-1996 were estimated using the average inflation factor found in the 1997-1998 data. For South Carolina, an inflation factor of 1.1345 was used.

Increased participation of SSI households due to SCCAP outreach efforts

As part of the effort to increase food stamp participation among SSI households, the SCDSS conducted outreach activities targeted at demonstration-eligible SSI recipients. Between November 1996 and August 1997, letters were mailed to all SSI recipients who had a federal living arrangement code of "A" and no earned income and who were not participating in the FSP. The outreach letter (Appendix E) told SSI recipients they were eligible for food stamp benefits and explained the criteria for participating in SCCAP. An application form was attached.

According to the SCDSS quarterly report for July-September, 1997, a total of 42,817 letters were mailed as part of the outreach effort. In response, 10,717 (25 percent) outreach applications were returned requesting SCCAP. Of these, 80 percent were approved. Fourteen percent of the requests were denied because the applicant was deemed ineligible. Approximately 8,500 new cases were added to the SCCAP caseload, almost doubling the number of SCCAP participants at that time. While the SCDSS attributes the increased participation in SCCAP directly to the outreach efforts, it is possible that some number of these individuals may have applied for food stamp benefits on their own at some point during the outreach period.

C. FSP Nonparticipants

Although SSI recipients are categorically eligible for food stamp benefits, many do not participate in the FSP. Client survey data were analyzed to address the issue of FSP nonparticipation. The final survey sample included 365 SCCAP-eligible households who were not participating in the FSP at the time the sample was originally drawn. Of these, 7 percent were receiving food stamp benefits at the time of the survey, 19 percent had applied for food stamps but were not currently receiving benefits and 73 percent had not applied for food stamps since applying for SSI.

Respondents who were not receiving benefits and had not applied for food stamps since applying for SSI were asked the main reason why they chose not to participate in the FSP. Of the 211 individuals who answered this question, 61 percent indicated that they were uninterested in the FSP, did not need food stamp benefits, or felt that the application process was too much trouble for the small amount of benefits received. An additional 31 percent believed they were ineligible for food stamp benefits.

VI. Effect of the Demonstration on Household Benefits

This chapter presents an overview of the level of food stamp benefits SSI households received and how the SCCAP demonstration affected these allotments. The chapter begins with a review of the average monthly benefit amounts that SSI households received before and during the demonstration period in South Carolina and on a national level. Section B summarizes the standard shelter costs used during the demonstration period and the excess shelter and medical expenses claimed by SCCAP-eligible households. Section C discusses the difference in benefit amounts under SCCAP compared with regular food stamp program rules. Section D focuses on the issue of denied SSI eligibility and its relation to possible foregone food stamp benefits. The chapter concludes with a discussion of inactive electronic benefit transfer accounts.

A. Benefit Amounts

As the cost of living has increased over time, so has the average monthly food stamp benefit amount received by single-person SSI households. According to IQCS data (Table VI.1), average food stamp allotment amounts increased to \$56 per month in 1996 from \$38 per month in 1989 for single-person SSI households with no elderly members (i.e., those eligible for SSI due to disability rather than age) and to \$48 from \$31 for single-person SSI households with elderly members. In all cases, SSI households without elderly members received higher average food stamp benefit amounts than SSI households with elderly members.

While the national average food stamp benefit amount has increased fairly consistently, the allotments for single-person SSI households in South Carolina have fluctuated over time. Average benefits for households with no elderly members rose to \$48 in 1993 from \$39 in 1989. Then, beginning in 1994, these households faced three years of substantial changes in average benefit amounts, with the allotment dropping to \$44, rising to \$57, then dropping back to \$44.

The pattern for households with elderly members was somewhat different; benefit amounts rose from \$29 in 1989 to \$36 in 1990 and stayed relatively stable through 1993. Then, the allotment fell in 1994 to \$33, rose in 1995 to \$37, and dropped again in 1996 to \$29, back to the average amount received in 1989.

A. Table VI.1
Average Monthly FSP Benefit Amount for
Single Person Households, 1989-1996

Fiscal Year	United States		South Carolina	
	No Elderly	With Elderly	No Elderly	With Elderly
1989	\$38	\$31	\$39	\$29
1990	42	36	38	36
1991	44	38	43	35
1992	53	42	47	37
1993	52	45	48	36
1994	54	45	44	33
1995	55	48	57	37
1996	56	48	44	29

Source: IQCS data

SCCAP benefit amounts

The SCCAP demonstration was designed to streamline the food stamp application process by using standard shelter costs and standard benefit amounts. SCCAP benefit levels were determined based on the ceiling of income available to SSI participants (Table VI.2) and the distribution of shelter expenses claimed by SSI households participating in the FSP. Two benefit amounts were established, one for individuals receiving SSI only and another for those receiving SSI in addition to other unearned income, including Social Security benefits.

Table VI.2**Maximum Federal Benefit Rates, 1995-1998**

	SSI only	SSI & other unearned income
10/95 – 12/95	\$458	\$478
01/96 – 12/96	470	490
01/97 – 12/97	484	504
01/98 – 12/98t	494	514

Source: SCDSS

When the demonstration began in 1995, the standard SCCAP benefit amounts were set at \$35 for participants receiving SSI only and \$26 for those receiving both SSI and other unearned income (Table VI.3). Over time, the standard SCCAP benefit amounts have changed as annual cost-of-living adjustments were made at the federal level at the beginning of each calendar year. SCCAP benefit amounts were also adjusted slightly at the beginning of each fiscal year (October) to reflect modifications in the Thrifty Food Plan, the food purchasing plan used to calculate maximum food stamp benefits. In 1998, the standard SCCAP benefit amounts were \$33 for SSI-only recipients and \$24 for individuals receiving SSI in addition to other unearned income.

Table VI.3
Standard SCCAP Benefit Amounts, 1995-1998

	Benefit amount for recipients of SSI only	Benefit amount for recipients of SSI & other unearned income
10/95 – 12/95	\$35	\$26
01/96 – 09/96	30	21
10/96 – 12/96	31	22
01/97 – 09/97	26	17
10/97 – 12/97	28	19
01/98 – 9/98	33	24

Source: SCDSS, CHIP data

Table VI.3 shows that the standard SCCAP benefit decreased rather markedly at the beginning of 1996 and 1997. This reduction in the food stamp allotment occurred when the SSI

benefit amount was increased to reflect the annual cost-of-living adjustment made by the SSA. While the SCCAP standard shelter and utility amount was also adjusted to reflect cost of living increases, program staff feel that the SCCAP benefit amount was disproportionately affected by the SSI cost-of-living adjustment. It is important to note that although the actual dollar amount decreases across time, the value of the SCCAP benefit theoretically remains the same since the adjustments are indexed to current and projected economic conditions.

B. Shelter Costs

SCCAP processing relies on a standard shelter amount that incorporates both rent and utility costs. The standardized rent amount included in the SCCAP formula is based on the average rental costs claimed by SSI households in the FSP. The standard utility amount (\$150) included in the SCCAP formula is the same as the allowance provided for in regular food stamp processing.

The standard shelter amount, originally set at \$203, changed during the demonstration period as cost-of-living adjustments were made at the federal level (Table VI.4). Although SCCAP shelter costs increased with each cost-of-living adjustment, program staff report that these adjustments alone were not enough to keep pace with the increasing costs of eating a well-balanced, nutritious diet. According to program staff, subsequent adjustments were made to the shelter amount to ensure that benefit amounts were better able to meet the dietary needs of SCCAP participants.

Table VI.4
SCCAP Standard Shelter Amounts, 1995-1998

	Std Rent Amt	Std Utility Amt	Total Shelter Costs
10/95 - 12/95	\$53	\$150	\$203
01/96 - 12/96	58	150	208
01/97 - 12/97	64	150	214
01/98 - 12/98	95	150	245

Source: SCDSS

Distribution of excess shelter and medical expenses

While the SCCAP demonstration was designed to streamline the food stamp application process by using standard costs and benefit amounts, individuals whose combined rent and shelter expenses exceeded the threshold (e.g., \$245 in 1998) had the option of claiming excess expenses and applying for food stamp benefits under normal program rules. Households whose medical expenses exceeded \$35 per month were also eligible to claim excess status and apply for benefits through normal FSP channels. While regular processing of food stamp applications is more involved than the SCCAP application process (since the former requires applicants to provide documentation of actual expenses), the resulting benefit amount is typically larger than the standard SCCAP benefit amount.

The distributions of excess shelter and medical costs claimed by demonstration-eligible cases compared with those claimed by the general food stamp population in South Carolina are presented in Table VI.5. These data clearly indicate that most excess cases are due to shelter costs rather than medical costs, regardless of SCCAP participation status. Further, demonstration-eligible cases are more likely to claim higher excess shelter expenses compared to the food stamp population as a whole. The average excess shelter costs claimed by demonstration-eligible cases was \$139 compared with \$103 for regular food stamp cases. The difference between the groups was less marked for excess medical costs. Although a greater percentage of demonstration-eligible cases claimed excess medical expenses compared to the food stamp population as a whole (8 percent versus 4 percent), the average excess medical costs for each group were very similar (\$57 and \$64 respectively).

Table VI.5
Food Stamp Benefit Amounts and Excess Expenses Claimed

	SCCAP-eligible cases claiming excess expenses	Total Food Stamp Households in South Carolina
Average monthly food stamp benefit	\$58	\$159
Excess Shelter Costs		
\$0	21.2%*	51.7%
less than \$50	11.6	19.3
\$51-100	19.0	9.5
\$101-200	29.8	11.3
\$201+	18.3	8.2
Average excess shelter costs	\$139	\$103
Excess Medical Costs		
\$0	91.8%	96.3%
less than \$50	5.2	2.5
\$51-100	1.7	0.6
\$101-200	0.9	0.4
\$201+	0.4	0.3
Average excess medical costs	\$57	\$64
Sample Size	12,674	250,175

Source: SDX/CHIP merged data

* While some of these households may have claimed excess medical expenses, the data set does contain households with a SCCAP of "E" with no excess expenses indicated. Data entry error is cited by the SCDSS as the reason for some "E" cases having \$0 excess shelter expenses and \$0 excess medical expenses. Unfortunately, we are unable to accurately assess whether the error is in the excess shelter or medical fields or in the case's designation as an "E" household.

C. Comparison of FSP and SCCAP Benefit Amounts

Supplemental quality control review data were used to compare the monthly SCCAP benefit amount received by demonstration participants (i.e., those not claiming excess expenses) with what they would have received under normal food stamp processing. This analysis is based on 466 completed reviews of SCCAP-eligible individuals who participated in the demonstration

between October 1996 and September 1997. Reviews with errors indicated were excluded from this analysis and are discussed in further detail in the next chapter.

In this sample, the monthly SCCAP benefit amount ranged from \$17 to \$31, with an average allotment of \$21 (Table VI.6). Under regular program rules, these individuals would have received food stamp benefit amounts ranging from \$8 to \$120, with an average allotment of \$26. Based on this data, SCCAP participants received \$4.47 less, on average, each month compared to the allotment they would have received under regular program rules. With a SCCAP caseload of 20,000, this lower average benefit amount could translate into a net saving to the agency of more than \$89,000 per month.

Table VI.6
Monthly SCCAP and FSP Benefit Amounts for Supplemental QC Sample

	Minimum Benefit	Maximum Benefit	Average Benefit
Amount received under SCCAP	\$17	\$31	\$21.29
Amount individual would have received under regular FSP rules	8	120	25.76
Difference			- 4.47

Source: Supplemental QC review data

While the overall effect of the demonstration on this sample indicates a 17 percent reduction in total benefits paid, the effect on individual cases varied:

- 63 percent received higher benefit amounts under SCCAP compared with regular food stamp processing
- 36 percent received lower benefit amounts under SCCAP compared with regular food stamp processing
- 1 percent received the same amount under SCCAP that they would have received under regular food stamp processing

The difference in SCCAP and regular food stamp monthly benefit amounts ranged from \$99 less to \$17 more.

Table VI.7
Distribution of Additional Benefits Received
under SCCAP compared to FSP

Addit Benefits (\$)	N	%	Cumulative %
1.00	6	2.1	2.1
2.00	5	1.7	3.8
3.00	11	3.8	7.5
4.00	22	7.5	15.1
5.00	7	2.4	17.5
6.00	2	0.7	18.2
7.00	117	40.1	58.2
8.00	18	6.2	64.4
9.00	14	4.8	69.2
10.00	4	1.4	70.5
11.00	73	25.0	95.5
12.00	7	2.4	97.9
14.00	1	0.3	98.3
16.00	4	1.4	99.7
17.00	1	0.3	100.0
Total	292		

Source: Supplemental QC review data

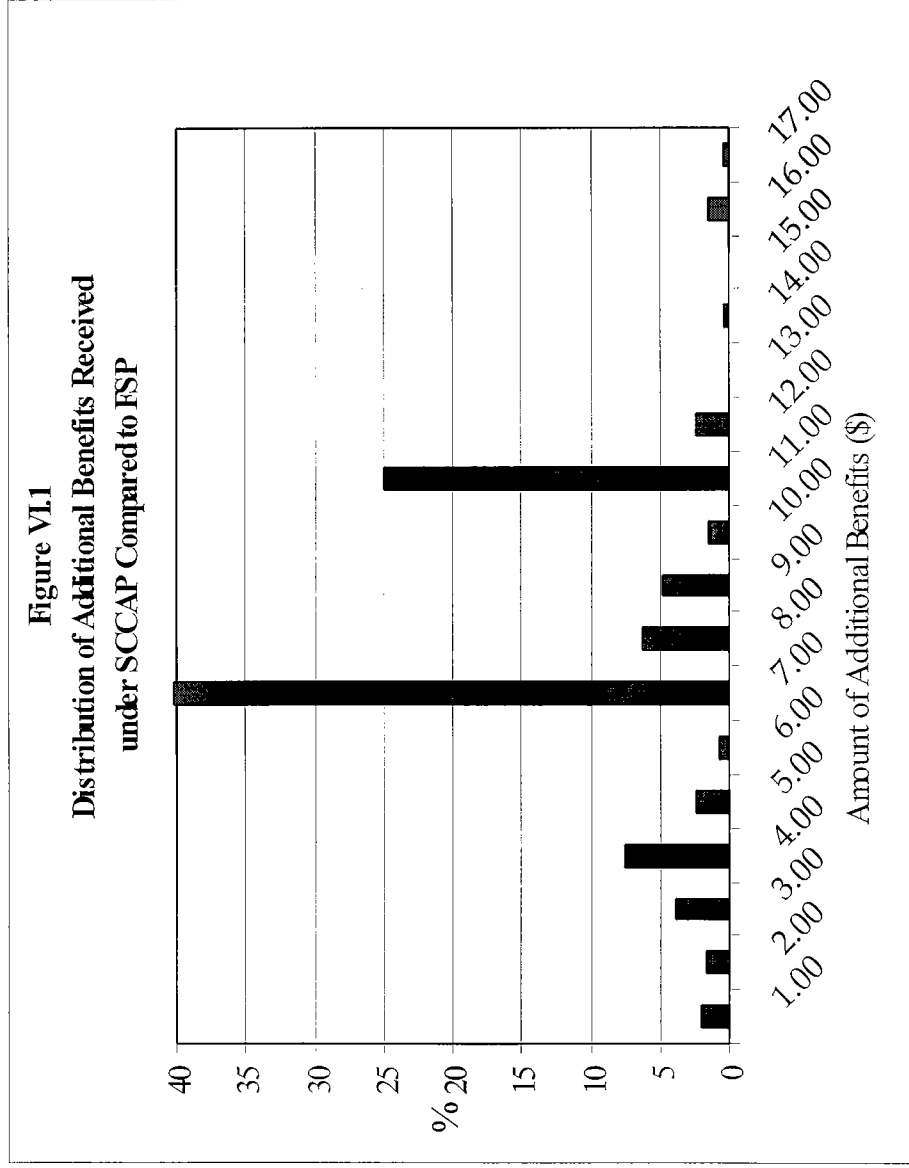


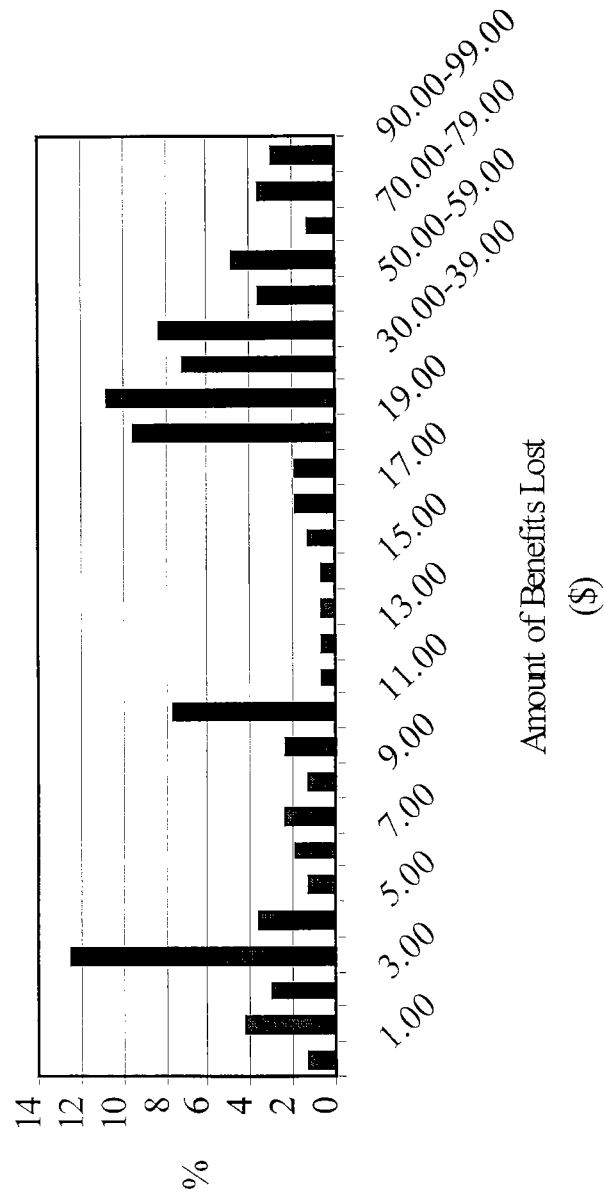
Table VI.8

Distribution of Benefits Lost under
SCCAP compared to FSP

Lost Benefits (\$)	N	%	Cumulative %
-1.00	2	1.2	1.2
-2.00	7	4.1	5.3
-3.00	5	2.9	8.2
-4.00	21	12.4	20.6
-5.00	6	3.5	24.1
-6.00	2	1.2	25.3
-7.00	3	1.8	27.1
-8.00	4	2.4	29.5
-9.00	2	1.2	30.7
-10.00	4	2.4	33.1
-11.00	13	7.6	40.7
-12.00	1	0.6	41.3
-13.00	1	0.6	41.9
-14.00	1	0.6	42.5
-15.00	1	0.6	43.1
-16.00	2	1.2	44.3
-17.00	3	1.8	46.1
-18.00	3	1.8	47.9
-19.00	16	9.4	57.3
-20.00-29.00	19	11.2	68.5
-30.00-39.00	13	7.6	76.1
-40.00-49.00	14	8.2	84.3
-50.00-59.00	6	3.5	87.8
-60.00-69.00	8	4.7	92.5
-70.00-79.00	2	1.2	93.7
-80.00-89.00	6	3.5	97.2
-90.00-99.00	5	2.9	100.1
Total	170		

Source: Supplemental QC Review Data

Figure VI.2
Distribution of Benefits Lost
under SCCAP Compared to FSP



Of those who received more benefits under SCCAP than they would have been eligible for under normal program rules, the amount of additional benefits received ranged from \$1 to \$17, with an average monthly “overpayment” of \$8. The majority of these cases (77 percent) received between \$7 and \$11 in additional benefits (Table VI.7, Fig. VI.1). In fact, the distribution of additional benefits shows two clear peaks – one at \$7 and the other at \$11. In the 112 cases receiving \$7 more in benefits, the SCCAP amount was \$17 compared to an FSP amount of \$10 (the lowest benefit amounts available under each program). In two-thirds of these cases, the shelter deduction was identified as the reason for the difference in benefit levels. The standard utility allowance was cited as the difference in the remaining one-third of cases. For those receiving \$11 more, the SCCAP amount was \$26 compared to an FSP amount of \$15 in almost all cases. As before, the shelter deduction accounted for the difference in approximately two-thirds of the cases while the standard utility allowance was cited in the remaining one-third.

Of those who received lower benefits under SCCAP than they would have received under normal FSP rules, the amount of lost benefits ranged from \$1 to \$99 per month, with an average monthly “underpayment” of \$26 (Table VI.8, Figure VI.2). One third of the underpayments were \$10 or less. Again, the distribution reveals a peak at \$4. Of the 21 cases who were receiving \$4 less under SCCAP than they would have received under the FSP, just over half (57 percent) had a SCCAP amount of \$17 compared to an FSP benefit of \$21. The remaining cases were receiving \$26 in SCCAP benefits compared to an FSP allotment of \$30. In 86 percent of these cases, the shelter deduction was identified as the reason for the difference in benefit amounts. The remaining differences were attributed to the standard utility allowance.

Reasons for the differences between SCCAP and FSP benefit amounts

Overall, the differences seen in SCCAP benefit amounts compared with regular food stamp amounts were primarily due to variations in disregards and deductions. The specific deductions that accounted for the differences varied slightly across groups (Table VI.9). For those households who received lower benefits under SCCAP, 84 percent of the differences were attributed to shelter deductions, 5 percent to the standard utility allowance and 8 percent to medical deductions. For those who received higher benefits under SCCAP, 70 percent of the differences were attributed to shelter deductions and 29 percent to the standard utility allowance.

Table VI.9
Reasons Attributed for Differences between
SCCAP and FSP Benefit Amounts*

	Shelter Deductions	Std Utility Allowance	Medical Deductions	Other
Lower Benefits under SCCAP	84%	5%	8%	3%
Higher Benefits under SCCAP	70	29		<1

Source: Supplemental QC review data

*Totals may not add to 100% due to rounding error

To understand how the SCCAP's combined standard rent and utility costs can result in decreased benefits for some households and increased benefits for others, it is important to examine the benefit calculation formula used in the FSP. Under regular food stamp processing rules, the food stamp allotment is based on shelter expenses in relation to monthly income. The SCCAP demonstration, however, specifies standard income and shelter amounts and provides participants with a predetermined benefit amount regardless of actual expenses. To demonstrate how the effect of this streamlined approach can vary, benefits were calculated using regular FSP rules for three SCCAP-eligible households (Appendix F).

The results of that analysis are summarized below:

- SCCAP participants whose rent and utility costs are less than the standardized shelter amount set in the demonstration may benefit from the streamlined processing and get a higher allotment under SCCAP than they would have received under regular program rules.
- SCCAP participants whose total shelter expenses (rent and utilities) exceed the standardized shelter amount may be adversely affected by the streamlined processing. In some cases, the difference between the SCCAP benefit amount and the amount the household could have received under regular program rules is minimal. In other cases, the difference in benefit amounts can be substantial. SCCAP households with high shelter costs are given the option of claiming excess expenses and remaining in the regular food stamp caseload rather than participating in the demonstration. If however, the individual chooses not to claim excess expenses and to remain in SCCAP, the benefit amount received may be lower than what they would be eligible to receive under regular FSP guidelines.¹
- SCCAP households with moderate shelter expenses appear to be at the greatest risk to be adversely effected by the streamlined processing of the demonstration. In these cases, the combined shelter expenses provided for under SCCAP are lower than what the individual could claim under normal program rules. However, actual shelter costs are not high enough to allow the household to claim excess expenses and receive benefits outside of the demonstration. If these households remain in SCCAP, they would suffer a loss in benefits compared to what they would have received under regular FSP processing.

Since federal statute prohibits the use of a standard that increases deductions for households with no or low expenses relative to income and prohibits the loss of benefits as a result of any demonstration project, the use of standardized shelter expenses may make future replication of this streamlined application model questionable.

D. SSI Denials

¹ CHIP data were used to examine how many SCCAP participants were eligible for excess expenses but continued to participate in the demonstration. Due to built-in edit features, actual expenses incurred by SCCAP participants are not maintained in the CHIP database. Therefore, analysis was limited to expense information collected in the month before the household enrolled in the demonstration. Data on 13,369 SCCAP participants were reviewed. Overall, 2 percent (n=261) of the households had shelter expenses in the preceding month that would qualify for excess expense status and 1.3 percent (n=175) had medical expenses above the threshold of \$35 per month. Assuming no changes had occurred since the preceding month, these households could have claimed excess expenses and received higher food stamp benefits outside of SCCAP. Why these individuals did not apply for benefits through regular processing is not known. Possible explanations include lack of adequate documentation, lack of awareness of the excess expense option, and unwillingness to commit the time and energy to complete the regular process. It is also possible that circumstances in the household had changed (e.g., expenses decreased) and these individuals were no longer eligible for excess expense status.

While all SSI recipients are categorically eligible for the FSP, not all food stamp participants are eligible for SSI. In fact, applicants who are denied SSI may still be eligible for food stamp benefits. According to SCCAP procedures, individuals do not begin receiving SCCAP benefits until after SSI eligibility is determined and SSI benefits are received. Data from the staff surveys and from on-site interviews with program staff indicate that eligibility determination typically takes from one to 30 days for elderly claimants and four to six months for disabled claimants. Applicants who are determined to be eligible for SSI are deemed eligible for food stamp benefits and are automatically enrolled in SCCAP if they meet other eligibility criteria. However, applicants who are denied SSI benefits must complete an application at the local food stamp office to determine whether they can receive benefits.

There is some concern that FSP-eligible individuals who are denied SSI benefits may lose out on food stamp benefits while they wait for SSI eligibility to be determined. To address this issue, cases that applied for SSI on or after January 1, 1996 (when SSA began accepting SCCAP applications) and were ultimately denied SSI benefits were sampled from the SSI data files between January 1996 and October 1997. The Social Security numbers of these individuals were then linked to the food stamp files to see if any of them were receiving food stamps. The evaluators then examined the delay between SSI application or denial and application for food stamp benefits.

Of the 7,078 denial cases reviewed, 49 percent did not apply for food stamps during the demonstration period. Of the 51 percent of SSI denied cases who did apply for food stamp benefits:

- 61 percent had already applied for food stamps prior to SSI application
- 22 percent applied for food stamps after SSI application but prior to SSI denial
- 4 percent applied for food stamps in the same month as SSI denial
- 13 percent did not apply for food stamp benefits until at least the month after SSI was denied

Of the 469 cases who waited to apply for food stamp benefits until after SSI was denied, the average delay between SSI application and denial was 2.3 months (Table VI.10): 19 percent of cases were denied in the same month as SSI application, 24 percent experienced a one-month delay, 15 percent experienced a two-month delay, 18 percent experienced a three-month delay and 12 percent experienced a four-month delay. Approximately 12 percent of cases waited five months or longer before being denied SSI benefits.

Table VI.10
Number of Months between SSI Application and Denial
for those who Waited to Apply for FSP until after SSI Denial

Delay from SSI Application to Denial (in months)	%
0	19.4
1	23.7
2	15.1
3	17.7
4	12.4
5	6.4
6	2.3
7	1.1
8	1.7
9	0.2
Average Delay = 2.3 months	

Source: SDX data

The amount of FSP benefits missed by individuals who wait to apply for food stamps until after SSI eligibility is determined is a function of both the length of time between SSI application and denial and the amount of food stamp benefits the individual is ultimately approved to receive. The following formula is useful to estimate the amount of benefits an SSI denied household would miss if it waits to apply for the FSP until after SSI eligibility is determined:

Foregone benefits = (# months from SSI application to denial) x (monthly FSP amount).

This estimate assumes that the household was eligible to receive food stamps the entire time it waited for SSI determination. However, it is quite possible that the household was not eligible for food stamps during the entire time; therefore, the formula could overestimate the amount of missed benefits.

Based on the data provided in Table VI.11, it is possible to estimate the total amount of benefits lost by households who waited until after SSI eligibility determination to apply for food stamp benefits. Overall, 469 households who were denied SSI during the demonstration period waited an average of 2.3 months to apply for food stamp benefits. According to SCDSS data, the average monthly benefit amount received by households who applied for food stamps after they were denied SSI was \$112. This calculates to a total of \$120,814 in food stamp benefits (an average of \$305 per household) that theoretically could have been received if individuals had applied for food stamp benefits at the same time they applied for SSI.

While there has been concern about this potential loss of food stamp benefits, the data suggest that only a small proportion of denied cases who applied for benefits are adversely affected. In fact, 83 percent of cases ultimately denied SSI had already applied for food stamp benefits before applying for SSI or did so before they were denied SSI benefits. It should be

noted, however, that this estimate does not include the 49 percent of denied SSI applicants who did not apply for food stamp benefits. Demonstration data do not reveal whether these households were eligible for food stamp benefits, whether they perceived a need for food stamp benefits, or whether they were discouraged by the barriers to applying for benefits under regular processing procedures.

E. Inactive EBT Accounts

South Carolina was among the first states to use electronic benefit transfer (EBT) technology to distribute food stamp allotments. When the SCCAP demonstration was initially designed, the EBT system was not in place. Instead, the original plan called for food stamp benefits to be issued by mail. With the addition of EBT technology, SCCAP clients are now required to visit the local food stamp office (or send an authorized representative) to pick up their EBT card and get trained on how to use it. This face-to-face visit is somewhat inconsistent with the goal of joint processing, which was intended to eliminate the need for clients to travel to the food stamp office to receive benefits. The need for in-person training also raised concerns at the SCDSS that SCCAP participants (who are by definition elderly and/or disabled) would have difficulty making it in to their local food stamp office.

With the current EBT system in place, food stamp benefits are automatically deposited into a participant's account each month. Clients are issued an EBT card--which works like a debit card-- to use at approved food stores. Benefits are allowed to accumulate in the account. However, if an account remains inactive for 12 consecutive months, the benefits will be eliminated. Before benefits are stopped, clients are sent a computer-generated letter telling them that all benefits in the account will be removed if the account is not accessed in the coming month. If the account remains inactive, the benefits will be expunged the following month.

Early in the demonstration period, the SCDSS noticed that many SCCAP participants had inactive EBT accounts. In some cases, the account had never been accessed. In others, the account had registered no activity in 30 days. Clients were contacted by telephone to ensure that they understood how to use their EBT accounts. Some of those contacted reported that they were purposely allowing the benefits to accumulate (since the SCCAP allotment was so small) before venturing to the store. Many reported that getting to the store was difficult and/or expensive, and they therefore wanted to have enough money to shop with to make the trip worthwhile. Based on this feedback, the SCDSS decided to focus efforts on those clients who had never accessed their accounts to make sure that they understood the EBT process. Program staff report that most of those contacted did not understand that they were supposed to go to the local office to pick up their EBT cards. The SCDSS now mails reminder notices to SCCAP participants who have not yet accessed their accounts.

According to data provided by the FNS in August, 1998, an average of 4,400 accounts were typically expunged each month in South Carolina, accounting for a monthly total of \$90,000 to \$100,000 in expunged benefits. While a breakdown of these data by SCCAP status is not available, it is unlikely that SCCAP accounts contribute heavily to the total amount of expunged benefits. Data from the BR450 (a listing of inactive EBT accounts) from July 1998 indicate that 5,610 EBT accounts in South Carolina had been inactive for at least 30 days. Of these, 2,847 (51 percent) were SCCAP cases. A breakdown of the inactive SCCAP accounts indicates that 1,323 (47 percent) had never been accessed while the remaining 1,524 had simply been inactive for the past 30 days. Given that SCCAP clients are reported to accumulate benefits purposely, one could assume that many of these inactive accounts will be accessed within the 12-month time frame and would not be expunged. Consequently, only those SCCAP accounts that have never been accessed are likely to be expunged.

VII. Effect of the Demonstration on Error Rates

In undertaking any large system innovation, some degree of error is expected. To examine the rate and types of errors associated with the demonstration, supplemental quality control reviews were conducted on selected SCCAP cases. These reviews provide valuable insight into how effectively the demonstration program was implemented and how changes to the agency's benefit delivery system have affected the overall benefit structure at both the agency and client levels. The chapter begins with an analysis of client survey data on the potential error rate that could result from reliance on living arrangement code "A" as the sole eligibility criterion. In Section B, the rate and types of errors found in the supplemental QC reviews are discussed. The monetary implications of these errors are reviewed in Section C.

A. Participation of Ineligibles Resulting from Use of Living Arrangement Code "A"

Early plans for the joint processing alternative demonstration in South Carolina called for program eligibility to be based solely on the SSA-designated living arrangement code. New SSI applicants designated as living arrangement code "A" would be automatically deemed eligible for the FSP and enrolled in the demonstration unless the client declined these benefits or chose to apply through regular food stamp application processes to claim excess medical or shelter expenses. Ideally, the eligibility code established by SSA at the time of SSI application would be transmitted to SCDSS electronically, where it would trigger an automated food stamp case activation process. In addition to anticipated increases in client satisfaction, the single criterion approach was expected to result in significant administrative efficiencies by minimizing the duplication of application processes and enhancing automation.

While the demonstration was originally intended to target single-person SSI households, living arrangement code "A" was proposed as a proxy measure to quickly screen applicants.

However, since living arrangement code "A" designation is based primarily on home ownership or rental liability and not household size, program planners acknowledged that this variable alone would not exclude all ineligible applicants. Although living arrangement code is still included in the SCCAP eligibility criteria, SSA and SCDSS staff also screen applicants on additional eligibility criteria (e.g., earned income, marital status, separate food purchase and preparation).

Client survey data were used to estimate the potential impact on participation of ineligible households if eligibility were based solely on living arrangement code. Survey respondents were asked about the number of other individuals living in their household and whether they purchased and prepared their food separately from other household members. All clients sampled for the survey were designated as living arrangement code "A" in the June 1997 SSI data file.

As shown in Table VII.1, only 71 percent of the SCCAP-eligible food stamp participants (including both demonstration participants as well as those claiming excess expenses) reported living alone. Sixteen percent of respondents reported a household size of two, an additional 7 percent reported a household size of three, and the remaining 6 percent reported four or more household members. The largest household size reported included 10 members. There were no significant differences in the household sizes reported by demonstration participants compared to SCCAP-eligible cases claiming excess expenses.

Of the 403 additional household members reported by survey respondents, 27 percent were children. Other major groups represented were parents (16 percent), grandchildren (14 percent), and siblings (14 percent). Nieces and nephews together accounted for 6 percent, while spouses and friends/girlfriends/roommates each accounted for approximately 5 percent. The

remaining household members included sons/daughters in-law, grandparents, guardians, aunts/uncles, cousins, brothers/sisters in-law, great grandchildren, private nurses, and landlords.

Table VII.1
Household size reported by SCCAP-eligible food stamp participants

# Household members	SCCAP Participants	SCCAP-eligible cases claiming excess expenses	Total SCCAP-eligible cases
1	284 (70%)	282 (73%)	566 (71%)
2	71 (18)	57 (15)	128 (16)
3	27 (7)	26 (7)	53 (7)
4 or more	22 (5)	23 (6)	45 (6)
Total	404	388	792

$\chi^2 = 1.26$, df=3, p=.74

Source: Client satisfaction survey

When the reported household size was greater than one, respondents were asked whether they purchased and prepared their food separately from each of the other household members listed. Of the 226 respondents reporting a household size greater than one, 143 (63 percent) reported that they purchased and prepared food separately from all other household members. Conversely, 83 respondents (37 percent) reported that they purchased and prepared their food together with at least one other individual living in the household. According to the SCCAP eligibility criteria, households where food is purchased and prepared jointly are not eligible to participate in the demonstration.

Self-report data provided by the client survey suggest that relying solely on living arrangement code for program eligibility could mean that up to 30 percent of SCCAP participants would reside in multi-person households. While some of these individuals may purchase and prepare their food separately from other household members, survey data suggest that over one-third do not. Since those who do not purchase and prepare their food separately

from others in the household are ineligible for SCCAP, the error rate resulting from the use of living arrangement code "A" as the sole eligibility criterion is estimated at approximately 10 percent (i.e., 37 percent of multi-person households)¹.

B. Error Rates and Types

To examine the actual errors made in demonstration participant records, the SCDSS agreed to conduct supplemental quality control reviews on a sample of SCCAP participant records. Of the 478 completed supplemental QC reviews, 12 (2.5 percent) had errors. Two types of errors were identified:

- Errors in determining program eligibility
- Errors in calculation of SCCAP benefit amounts

The overall error rate (less than 3 percent) is relatively low given that the SCCAP program involved a comprehensive revision to a major service delivery system. In fact, the SCCAP error rate is quite favorable compared with the overall error rate for the state in FY 1996 of 6.2 percent². The lower SCCAP error rate might be explained by the fact that single-person SSI households are likely to have fewer errors due to the limited sources of income and resources that must be verified. Also, the automated nature of SCCAP application processing and the use of standard shelter costs and benefit amounts reduce the number of errors.

¹ It should be noted that survey respondents were selected based on their designated living arrangement code and food stamp participation status in June of 1997. Since the survey was conducted between November 1997 and April 1998, it is possible that the living arrangements in some of these households had changed since the time of sample selection.

It is also possible that reliance on a single living arrangement code designation extracted from the SSI data file may also introduce some degree of error into this analysis. The SSI data file includes 10 fields for living arrangement codes, some of which may be more reliable than others are. The client satisfaction sample was based solely on the living arrangement code designation provided in the first such field.

² Regressed Food Stamp Error Rates for FY85-FY97 prepared by SCDSS Program Quality Assurance, May 29, 1997.

Although the number of errors are limited, further exploration of each error type and the monetary implications at both the client and agency levels provides information potentially useful in making further program refinements.

Errors in determining SCCAP program eligibility

Of the 12 cases where errors were identified, nine clients (1.9 percent of all cases reviewed) were found to be ineligible for the demonstration and should not have been receiving SCCAP benefits³. In six of the nine cases, the client was ineligible for SCCAP because the reported household size was greater than one. In addition to inappropriate household size, one client was also found to have earned income in the form of wages and salary. The remaining three cases were deemed ineligible because of the amount of unearned income received, including Veterans' Affairs benefits and SSI and/or State SSI supplement.

Errors in calculation of benefits

The second error type was related to miscalculations in SCCAP benefits. Overall, less than 1 percent of the cases reviewed involved clients who were eligible to receive benefits under the SCCAP program but had received the incorrect allotment because benefits were miscalculated. In all three cases, errors were attributed to incorrectly recording the amount of unearned income. In fact, this is the only possible source of error that can result in benefit miscalculations given the built-in edit features of the automated processing of SCCAP cases.

C. Monetary Implications of SCCAP Errors

The monetary implications of each of the two identified error types were examined to assess the effects on individuals and on the agency. The cost of errors, at both the client and

³ Although ineligible for SCCAP benefits, seven of the nine cases were eligible to receive food stamp benefits under regular program rules.

agency levels, are key areas of concern. For such a large service delivery system, even minor errors can have a large dollar effect -- either for under- or overpayment of benefits. Similarly, miscalculations can have enormous effects on individual clients, especially given that many elderly and/or disabled clients are subsisting on extremely small annual incomes. For low-income clients, each dollar lost or gained can have a considerable impact on their overall quality of life.

Ineligible Clients. Of the nine cases found to be ineligible for SCCAP, the monthly benefit amounts ranged from a low of \$17 to a high of \$26, with an average monthly allotment of \$22 (Table VII.2).

In order to understand the full implications of overpayments being made to ineligible SCCAP clients, one must consider the amount of benefits, if any, these clients would have been eligible to receive under normal food stamp program rules. Of the nine ineligible SCCAP cases included in this analysis, seven (78 percent) would have been eligible for food stamps under normal program rules⁴. Of those who could have received food stamp benefits, the monthly allotment amounts would have ranged from \$10 to \$120, with an average payment of \$54 (Table VII.2).

While some ineligible SCCAP cases benefited by receiving overpayments for which they were not qualified, others lost benefits under SCCAP. Only one of the nine cases was ineligible for benefits under both SCCAP and regular program rules. All SCCAP benefits received by this individual (\$26) should be considered overpayments made in error. Of the seven individuals who would have been eligible to receive food stamp benefits, only three received a higher allotment under SCCAP than they would have received under normal program rules.

⁴ FSP eligibility status of one ineligible case could not be determined because the client refused to supply the necessary information.

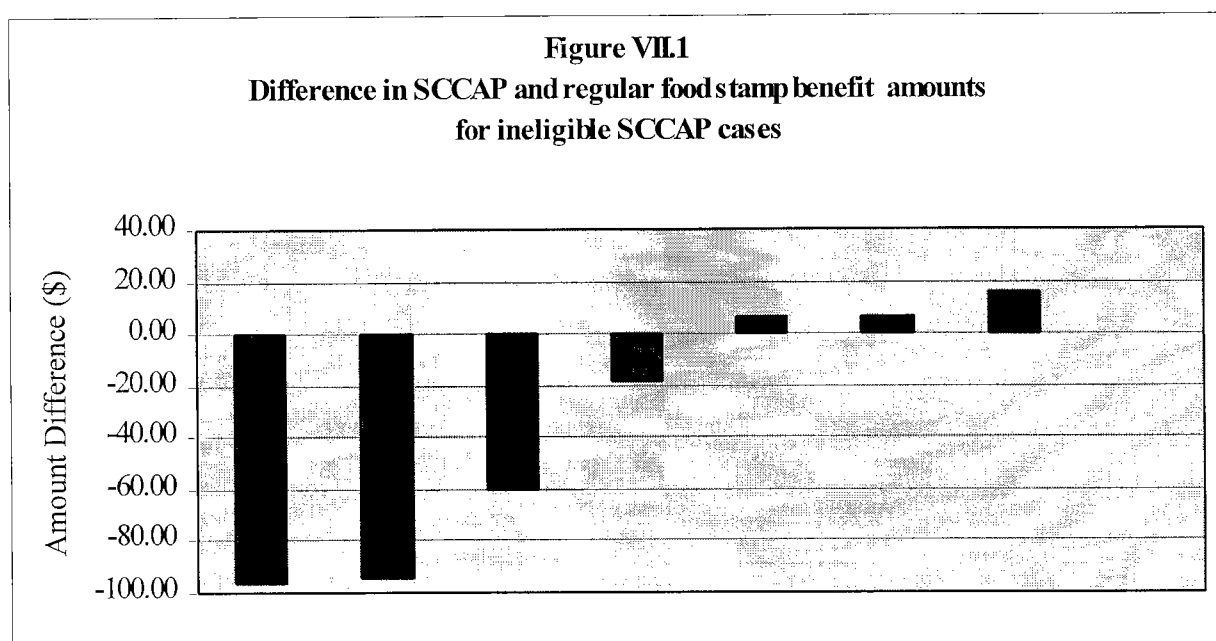
Table VII.2

SCCAP and Regular Food Stamp Amounts for Ineligible Cases

Actual SCCAP Amount Received	Amount Due Under Regular Food Stamp Program Rules	Difference
\$17	\$10	\$7
17	10	7
17	35	-18
17	113	-96
22	82	-60
26	0	26
26	N/A	N/A
26	10	16
26	120	-94
Total: \$194	\$380	\$-186

Source: Supplemental QC review data

For these cases, the SCCAP benefit amounts paid were only slightly higher than what the clients would have received under regular food stamp processing. For the remaining four clients, the SCCAP allotment was considerably less than what would have been provided for under regular



program rules. In fact, the amount of underpayment ranged from \$18 to \$96 per month (Figure VII.1). For older and disabled individuals, such large benefit reductions can potentially have extremely negative effects on their general nutrition.

Thus, while the agency was erroneously paying SCCAP benefits to ineligible clients, some of these same individuals could have received higher benefit amounts under regular program rules. To estimate the monetary impact of these errors at the agency level, one could use the following formula:

$$\text{Monthly impact} = (\text{SCCAP caseload}) \times (\text{ineligibility error rate}) \times (\text{average difference amount})$$

Based on the supplemental QC data, \$168⁵ was paid out in error each month to SCCAP participants who were not eligible for the demonstration. At the same time, these same individuals were eligible to receive \$380 in FS benefits under normal program rules. As a result, the agency paid an average of \$26.50 per case *less* under SCCAP than under normal program rules. Given a SCCAP caseload of 20,000 and an ineligibility error rate of 2 percent, these ineligibility errors are estimated to result in a net saving to the agency of \$10,600 each month.

In summary, although benefits were paid to clients who were not eligible under the SCCAP demonstration, some individuals lost substantial benefits compared with what they would have received under normal program rules. Based on the sample of 400 cases, the monetary effects of these errors at the agency level were positive, accounting for an estimated monthly saving of over \$10,000.

Miscalculation of Benefits. Only three of the cases reviewed had errors in benefit calculations. Actual SCCAP payments to these clients ranged from \$17 to \$26 per month, with

⁵ FS eligibility data was not available on one of the 9 SCCAP-ineligible cases; therefore this individual has been excluded from this analysis.

an average monthly benefit of \$20 (Table VII.3). Miscalculation errors resulted in both under- and overpayments of benefits depending on the type of data entry error.

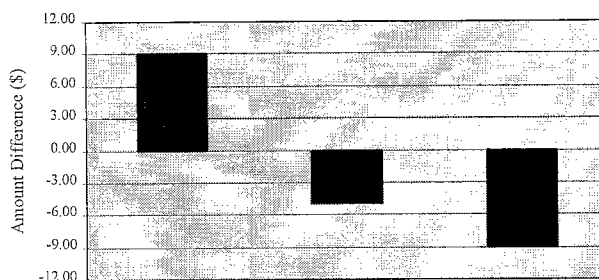
If the client was receiving SSI only, yet the income amount entered in the food stamp record included Social Security benefits and SSI, the resulting SCCAP benefit amount was lower than what the client was truly eligible to receive. Conversely, if the client was receiving both SSI and Social Security and the income amount entered indicated SSI only, the resulting SCCAP benefit amount was higher than what the individual was truly eligible for. Given the standard benefit amounts allowed for under SCCAP, the margin of error is limited. As a result, the amount of over- or underpayment did not exceed \$9 (Figure VII.2).

Table VII.3
Actual and Corrected SCCAP
Amounts for Cases with Calculation Errors

Actual SCCAP Amount Received	SCCAP Amt Due	Amt Difference
\$17	\$22	-\$5
17	26	-9
26	17	9
Total \$ 60	\$65	-\$5

Source: Supplemental QC review data

Figure VII.2
Difference in Actual and Corrected SCCAP amounts
for cases with calculation errors



To estimate the monetary impact of these errors at the agency level, one could use a formula similar to that used for the ineligibility errors. Based on the supplemental QC data, \$9 in overpayments and \$14 in underpayments were made as a result of benefit miscalculation errors (Table VII.3), resulting in an average of \$1.67 per case *less* under SCCAP than under normal program rules. With a SCCAP caseload of 20,000 and a miscalculation error rate of less than 1 percent, these miscalculation errors are estimated to result in a net saving to the agency of approximately \$334 per month.

As was the case for eligibility errors, benefit miscalculation errors resulted in an overall underpayment of benefits by the agency. While the agency enjoyed a small net saving, some clients experienced a slight reduction in benefit amounts as a result of the calculation error.